

**Statement of Stephen A. Crosby  
President, CSX Real Property, Inc.  
Before the  
United States Senate Committee on Commerce, Science and Transportation  
December 6, 2000**

Thank you Senator Cleland. I am Steve Crosby, President of CSX Real Property, Inc., a subsidiary of CSX Corporation. I represent CSX in discussions concerning the introduction of commuter rail onto CSX's rights-of-way in metropolitan Atlanta. These lines are part of the 30,000 mile rail freight network CSX operates in 23 states, two Canadian Provinces and the District of Columbia. I appreciate the opportunity afforded us today to explain our approach to potential passenger operations on our freight lines in Atlanta and elsewhere.

With increasing congestion on American highways and concerns over air quality, more communities than ever before are looking to rail as an environmentally friendly, fuel-efficient means to move people. CSX works with communities, including Atlanta, to provide technical expertise and operations analysis to local planners and policy makers. Where feasible, we also attempt to make our right-of-way available at fair market value for the construction of commuter rail systems. We currently have six commuter operations on our network and 28 others being studied. Our experience has shown that there is no "one size fits all" solution.

In Atlanta, my colleagues and I have worked for several years with various agencies that have an interest in furthering the concept of commuter rail. We are now working jointly with Norfolk Southern and the Georgia Regional Transportation Authority (GRTA) to study the combined freight network in order to evaluate the impact of the potential imposition of commuter service. The results of this study will yield

important feasibility and cost analysis of alternative proposals and will provide a greatly needed decision tool. While Atlanta is an extremely complex situation given the convergence of rail lines and the volume of freight trains moving through, it also can be an exciting model if creativity is used in addressing these challenges. The issues presented by adding commuter rail services to a main line freight network are extremely challenging. Poorly planned implementation will degrade existing freight service while providing a level of passenger service that does not meet public expectations either. We are committed to working cooperatively to determine whether there are answers that work for everyone. To that end, we have guiding principles we use when working through this process with communities on our system, including Atlanta. You already have heard about issues communities and public officials look at, so I would like to share with you these principles which guide our thinking and analysis.

First, safety must be the pre-eminent consideration. CSXT is committed to operating with the highest degree of safety for both our employees and the public. Put simply, the risks to our employees and the public must be no greater after a passenger rail system is put in place than the risks are today.

Since 1989, CSX has reduced train accidents by 40% and employee injuries by 63%. Despite this record, the possibility of an accident cannot be dismissed. The Federal Railroad Administration has authority over the introduction of rail passenger operations onto the freight network. CSX also undertakes its own review and in some cases our policy may be more stringent and restrictive than federal guidelines. Among the critical issues we examine are train operations; integration between freight and passenger rail;

grade crossing safety; passenger/pedestrian safety at station stops; and, derailment risk and intrusion detection.

Second, any relationship with passenger rail services must give CSX the ability to effectively serve current customers and to meet the future demands of new and growing customers. This capacity issue is particularly critical in the Atlanta region, which is our busiest hub in the Southeast. CSX serves more than 200 Atlanta-area companies and moves over one million carloads of freight into and out of the region each year. Our primarily single-track lines in the region are at or near capacity today with our Atlanta terminal handling up to 120 trains daily. Commuter rail could further limit our capacity and force some of the freight we move back to the highways increasing the number of trucks on metropolitan roadways. This has the potential to be more harmful to the environment because railroads have a clear environmental advantage over trucks. Locomotives emit one-tenth the hydrocarbons and diesel particulates as trucks do, and each rail car carries the equivalent of approximately three trucks. When passenger trains squeeze out freight trains, more trucks are added to the highways and more pollutants are added to the atmosphere – an extremely important matter for regions such as this that are not in compliance with federal clean air standards.

Capacity studies are critical to our ability to analyze a particular proposal. We need to understand current and future use, and we need to know whether specific lines are able to accommodate regular passenger service. If not, can those lines be expanded and improved to meet commuter needs. In some cases, such improvements and additions can be achieved and passenger rail can be accommodated. Studies, property acquisition (if needed) and construction have a high cost.

CSX does not play a role in funding commuter operations. We are an investor-owned company, operating on private property that is maintained by private investment. We are not a public utility. As a result, we simply cannot ask our shareholders and freight customers to subsidize the cost of commuter rail operations. The commuter agency needs to pay the costs associated with obtaining operating and property rights as well as building and maintaining infrastructure associated with the passenger service. So putting a realistic estimate and funding package together is a critical early step. With advanced engineering almost anything is possible. The question becomes quite simply: How much does it cost and how much is it worth to those who will use it? Building and maintaining additional rail infrastructure – even assuming an existing right-of-way has room – can cost hundreds of millions of dollars. Communities must be realistic about funding needs when they set out to develop a passenger rail system. A proposed 16 mile-system in Orlando that we worked on recently, for example, would have cost in excess of \$600 million. A 30-mile system in Bordentown, New Jersey that we were involved in is budgeted at approximately \$700 million. In both of these cases we worked closely with the local, state and federal agencies to ensure safe, and compatible operations.

These were very different systems than envisioned for Atlanta, but I use them as examples simply to illustrate that we can work successfully together to design solutions that meet the needs of all parties. However, as we found in both cases, unless safety, capacity, funding and timeframe expectations are realistic, a positive outcome cannot be achieved. We are working closely with GRTA to ensure they have access to information generated by our experience in these and other communities. The lessons learned are that

commuter operations require considerable resources, cooperation and flexibility to achieve productive and workable solutions.

The final matter that must be considered in a new passenger proposal from the railroad's perspective is liability. Although the likelihood of a catastrophic derailment is low, the potential does exist for a freight accident to occur simultaneously with the passing of a commuter train. The imposition of thousands of passengers into a freight rail corridor creates risks that do not exist today. Consistent with sound business practices, CSXT currently requires a minimum of \$ 500 million insurance coverage as a condition to any new use of its properties for passenger purposes.

On another front, I understand that high speed rail and possibly mag-lev are being considered in Georgia in addition to commuter rail options. My colleague Paul Reistrup, Vice President, Passenger Services, has been actively involved in discussions with Amtrak and other entities concerning these types of operations. As with commuter initiatives, we take a fact-based, analytical approach to high speed rail, which presents some unique challenges of its own.

Importantly, the greater the difference in the speed of trains, the more capacity is used up on a railroad. To illustrate the point, we all know what the term Sunday driving is all about and the havoc that a slow driver can cause on a busy road. Traffic always moves more smoothly if everyone is generally going the same speed. Freight lines are generally analogous to two lane state roads while high speed lines need to be like super highways. We know that you can't turn a state road into an interstate by simply raising the speed limit. The super-elevation needed for high speed passenger trains requires different engineering and significantly more maintenance than the track structures freight

trains use. In addition, in the interest of public safety, all grade crossings need to be eliminated over tracks where trains operate above a designated speed threshold, as has been done on the Northeast Corridor. As a result, while every situation is unique, our basic proposition is that high speed trains travelling above 90 MPH should be on separate tracks that are grade separated.

In conclusion, we remain actively engaged with communities across our system in a fact-based approach to explore transportation options. Locally, we are committed to continuing our involvement in the studies and dialogue that have been initiated in Atlanta. I will be pleased to answer any questions you may have.

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